



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0544	Title:	Allow organization dues to be withheld from retirement benefit, then paid to org
Primary Sponsor:	Olson, Alan	Status:	As Amended in House Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2007 Impact</u>	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:					
General Fund	\$0	\$0	\$0	\$0	\$0
Other - Pension Funds	\$1,388	\$4,249	\$4,302	\$4,454	\$4,667
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
Other - Pension Funds	\$0	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This bill would have initial costs for programming, creating election forms, creating rules/policies and on-going costs of an additional .05 FTE and computer processing.

FISCAL ANALYSIS

Assumptions:

1. The following costs would be incurred by the Public Employees Retirement Administration (PERA) for the administration of this bill in FY 2007. These costs would be handled in-house with existing staff including contracted IT resources.
 - a. Creation of election form and policy/rule would take additional staff hours estimated at a cost of \$816.
 - b. IT Services including computer resources, processing costs and confidence testing (\$93,792). Total hours estimated are 865.
 - c. The two items above may impact other priority projects for PERA.

2. During FY 2007, the following additional costs are estimated: rules mailings (\$688) and rules filing (\$700).
3. A .05 FTE would be hired starting in FY 2008. The salary includes benefits and pay increases at a rate of 3% per year and pay plan increases.
4. Processing costs would continue at \$3,300 per year.

	<u>FY 2007 Impact</u>	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>					
FTE	0.00	0.05	0.05	0.05	0.05
<u>Expenditures:</u>					
Personal Services	0	949	1,002	1,154	1,367
Operating Expenses	<u>\$1,388</u>	<u>\$3,300</u>	<u>\$3,300</u>	<u>\$3,300</u>	<u>\$3,300</u>
TOTAL Expenditures	<u><u>\$1,388</u></u>	<u><u>\$4,249</u></u>	<u><u>\$4,302</u></u>	<u><u>\$4,454</u></u>	<u><u>\$4,667</u></u>
<u>Funding of Expenditures:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
Other - Pension (09)	<u>\$1,388</u>	<u>\$4,249</u>	<u>\$4,302</u>	<u>\$4,454</u>	<u>\$4,667</u>
TOTAL Funding of Exp.	<u><u>\$1,388</u></u>	<u><u>\$4,249</u></u>	<u><u>\$4,302</u></u>	<u><u>\$4,454</u></u>	<u><u>\$4,667</u></u>
<u>Revenues:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
Other - Pension (09)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Revenues	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
Other - Pension (09)	<u>(\$1,388)</u>	<u>(\$4,249)</u>	<u>(\$4,302)</u>	<u>(\$4,454)</u>	<u>(\$4,667)</u>

Technical Notes:

1. A January 1st effective date may be more appropriate for retirees with a normal calendar year tax basis and more manageable for program purposes.
2. Time is needed for the law to become effective and the rules to become effective before the process is implemented.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date